

COMPENSATION AND ESCROW AGREEMENT

This Escrow Agreement ("Agreement") is entered into as of August 12, 2009, by and between the United States Environmental Protection Agency, Region 8 ("EPA"), First National Bank Montana, Libby, Montana branch (the "Bank"), and Cabinet View Country Club ("CVCC") hereinafter referred to collectively as the "Parties."

WHEREAS, the response action at the Libby Asbestos Site (the "Site"), Lincoln County, Montana implemented by EPA is authorized by the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. § 9601 et seq., and the National Oil and Hazardous Substances Pollution Contingency Plan, 40 C.F.R. Part 300;

WHEREAS, CVCC is the owner of the land and improvements known as Cabinet View Country Club, located at 378 Cabinet View Road, Libby, Montana, 59935 (the "Property"), located within the Site. CVCC maintains and operates a golf course on the Property, which contains exposed vermiculite and amphibole asbestos;

WHEREAS, on August 18, 2001, EPA issued an Amendment to an Action Memorandum which was originally issued on May 23, 2000 in which EPA documented the determination that cleanup was necessary at properties such as the CVCC property because of asbestos contamination. The June 17, 2009 Action Memorandum Amendment raised the removal ceiling for removal activity in Libby, including activity at the golf course, and the August __, 2009 Action Memorandum Amendment specifically authorized the removal at the golf course. The selected response action to be implemented at the Property will result in excavation and removal of contaminated soils from tee boxes, greens, and various other locations on the front nine holes of the golf course. The golf course will have to be restored after the contaminated soils have been excavated;

WHEREAS, CVCC certifies that the Property was acquired with no knowledge of the asbestos contamination. CVCC has granted to EPA, its employees, agents, contractors and representatives, access to the Property for the purpose of implementing the selected response action, including the excavation activities as described above; and

WHEREAS, the document attached hereto as Attachment A further clarifies the agreement between EPA and CVCC for the cleanup and restoration of the golf course.

NOW, THEREFORE, in consideration of the mutual promises, obligations, and agreements set forth below, the parties agree as follows:

Section 1. Definitions

As used in this Agreement:

(a) The term "EPA" shall mean the United States Environmental Protection Agency, Region 8.

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(b) The term "Bank" shall mean the First National Bank of Montana, Libby, Montana branch.

(c) The term "Funds" shall mean those monetary funds placed by EPA into an escrow account at the First National Bank of Montana, Libby, Montana branch, for the purposes established in this Agreement.

(d) The term "Escrow Manager" shall mean the Bank official charged with implementing the disbursal of Funds pursuant to this Agreement.

(e) The term "Allowable Expense" shall mean those expenses related to the restoration of the excavated fairways, tee boxes, greens, bunkers, flowerbeds, soils under the deck adjacent to the club house, cart paths, compensation for loss of use of golf carts, the irrigation system, and various other locations, including an allocation of \$975,000.00 for said restoration. This allocation amount is a negotiated price based in part upon EPA's estimate of the cost of restoring the CVCC golf course to its original condition.

(f) The term "Escrow Account" shall mean the account setup, maintained and disbursed by the Bank for the purposes established herein.

(g) The term "Property" shall mean the CVCC property at 378 Cabinet View Road, Libby, Montana.

Section 2. Establishment of Escrow Account

EPA shall transfer to the Bank NINE HUNDRED SEVENTY-FIVE THOUSAND DOLLARS (\$975,000.00) within thirty (30) days of execution of this Agreement by EPA. This money shall constitute the Funds and shall be placed by the Bank into a non-interest bearing account which shall become the Escrow Account. EPA shall pay the Bank 1% of Funds that are distributed for the performance of its duties under this Agreement.

Section 3. Disbursement of the Funds

The Escrow Manager shall disburse the Funds in response to bi-weekly draws presented by CVCC's general contractor. Each draw shall include a signed certification that all the bills included therein are for expenses related to the restoration of the front nine holes of the golf course. Restoration shall be limited to the replacement of fairways, tee boxes, greens, bunkers, flowerbeds, soils under the deck adjacent to the club house, cart paths, compensation for loss of use of golf carts, and the irrigation system. The Funds shall not be used for anything else. The general contractor shall be a licensed independent contractor. All work performed shall be pursuant to valid city permits, where such permits are required. The Escrow Manager shall perform inspections of all the work.

Section 4. Termination of the Escrow Account

The Escrow Manager shall continue the disbursements until the Funds are exhausted. If any portion of the Funds is left in the Escrow Account after December 31, 2010, that portion shall be returned to EPA and the Escrow Account shall be terminated. Exhaustion of the Funds on or before December 31, 2010 shall also constitute a termination of the Escrow Account. If EPA, the Escrow Manager, or the Bank determines that the Funds have been applied for or used for activities other than restoration of the front nine holes of the golf course, EPA may instruct the Bank and/or Escrow Manager to immediately terminate the Escrow Account. In such case, no further restoration funds will be provided and all claims against EPA will be considered released pursuant to Section 11.

Section 5. Express Powers of the Escrow Manager and the Bank

Without in any way limiting the powers and discretions conferred upon the Escrow Manager and the Bank by the other provisions of this Agreement or by law, the Escrow Manager and the Bank are expressly authorized and empowered:

(a) To make, execute, acknowledge and deliver any and all documents of transfer and conveyance and any and all other instruments that may be necessary or appropriate to implement the powers herein granted; and

(b) To make all distributions and payments as described herein.

Section 6. Monthly Valuation

The Escrow Manager shall furnish to the EPA a statement confirming the value of the Escrow Account on at least a monthly basis.

Section 7. Instructions to the Escrow Manager and Bank

All orders, requests and instructions by EPA to the Escrow Manager and/or Bank shall be in writing. The Escrow Manager and the Bank shall be fully protected in acting without inquiry in accordance with EPA's orders, requests and instructions. The Escrow Manager and the Bank shall have the right to assume, in the absence of written notice to the contrary, that no event constituting a change or a termination of the authority of any person to act on behalf of EPA hereunder has occurred.

Section 8. Notice

All notices under this Agreement will be sent by overnight delivery service or certified or registered mail to the address of the applicable party set forth below:

If to EPA:

Mr. Mike Cirian
U.S. Environmental Protection Agency, Libby Information Center
501 Mineral Ave.
Libby, Montana 59923

If to the Bank or Escrow Manager:

Mr. Donn Ross
First National Bank of Montana, Libby, Montana branch
504 Mineral Ave
Libby, Montana 59923

If to CVCC:

Mr. Gene Chappell, President, CVCC Board of Directors
378 Cabinet View Road
Libby, Montana 59923

Section 9. Amendment of Agreement

This Agreement may be amended by an instrument in writing executed by EPA, the Bank, and CVCC.

Section 10. Immunity

The Escrow Manager shall not incur personal liability of any nature in connection with any act or omission, made in good faith, in the administration of the Escrow Account, or in implementing any orders, requests or instructions by EPA issued in accordance with this Agreement.

Section 11. Release of Claims

CVCC hereby agrees that the payments made pursuant to this Agreement shall constitute full settlement and just compensation, under all applicable laws and regulations, of any and all claims it may have against the EPA for actual replacement and compensation for the value of all buildings and personal items demolished or diminished by, or disposed of pursuant to implementation of the selected response action. CVCC assumes full responsibility for the restoration activities. EPA shall not be deemed to be a party to any contract for the restoration. CVCC agrees to hold EPA harmless for any liability associated with such restoration, including, but not limited to, claims resulting from accidents or from defective construction.

Section 12. Reservation of Rights

Nothing in this Agreement shall preclude CVCC from pursuing any legal remedy that it may otherwise have against any other entity to recover damages and seek compensation not covered by or included in this Agreement. Nothing in this Agreement shall preclude EPA from pursuing any legal remedy that it may otherwise have against any potentially responsible party in order to recover costs EPA incurs for response actions at the Site.

Section 13. Choice of Law

This Agreement shall be administered, construed and enforced according to the laws of the State of Montana and of the United States of America.

IN WITNESS WHEREOF the Parties have caused this Agreement to be executed, where appropriate, by their duly authorized respective officers or employees.

Gene Chappell
President: Cabinet View Country Club

Dann Rohrer
Vice President: Cabinet View Country Club

Wayne Haines
Board Member: Cabinet View Country Club

Carol Rushin, Acting Regional Administrator
United States Environmental Protection Agency

Donn Ross
First National Bank of Montana
Libby, Montana, Branch